



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

November 6, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF AN
AGREEMENT WITH AFFILIATED COMPUTER SERVICES, INC. FOR
NURSING STUDENT LOAN MANAGEMENT AND
ACCOUNTING SERVICES FOR LAC+USC MEDICAL CENTER
SCHOOL OF NURSING
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services, or his designee, to enter into an Agreement, substantially similar to Exhibit I, with Affiliated Computer Services, Inc. (ACS) for the provision of Nursing Student loan management and accounting services for the LAC+USC Medical Center (LAC+USC) School of Nursing, effective upon date of Board approval through June 30, 2008, in the amount of \$10,500, with provisions for four one-year automatic renewals, effective July 1, 2008 through June 30, 2012, at an estimated cost of \$14,000 annually.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In approving the recommended action, the Board is approving an agreement for student loan accounting services for student loan repayment programs available through the LAC+USC School of Nursing.

Implementation of Strategic Plan Goals

The action meets the County's Strategic Plan Goal of Service Excellence by promoting nurse recruitment by operating an efficient web accessible nursing student loan repayment program.

FISCAL IMPACT/FINANCING

The agreement is in the amount of \$10,500, effective date of Board approval through June 30, 2008. The annual cost of the four one-year automatic renewals are estimated at \$14,000 for the period of July 1, 2008 through June 30, 2012.

Funding is available in the Department of Health Services' (DHS or Department) Fiscal Year 2007-08 Adopted Budget and will be requested in subsequent fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department operates a School of Nursing located on the grounds of LAC+USC with an annual enrollment of approximately 300 nursing students. The program allows students to complete their credentials for an Associate Degree in Nursing and qualify for the Registered Nurse State licensure exam. School of Nursing students are offered a variety of financial assistance programs. Students are eligible to apply for Perkins loans available through the U.S. Department of Education. The Perkins Program is tightly regulated and requires specific notice and billing steps for all student loans.

In May 1973, the Board approved a tuition agreement program for Nursing students to participate in a two-year tuition deferment program which offers the option to repay student loans by working for a DHS facility.

In 1991, to ensure that the School of Nursing received expert loan accounting services which included familiarity with the Perkins regulatory requirements, LAC+USC obtained services through ACS, Inc. and payments were made through a purchase order (PO). Recently, the Department has been instructed to convert the PO to a standard Board-approved agreement.

Under the agreement, ACS will provide the following services: 1) web access by nursing students to loan status and ability to make payments; 2) state of the art computerized billing and accounting services related to the School of Nursing Perkins Loans program and Tuition Deferment loans; 3) on-line access to Nurse loan accounts by LAC+USC Financial Management; 4) provision of monthly web access reports in support of various accounting and reporting requirements by the U.S. Department of

Education and other agencies; 5) transfer of loan collection proceeds to the appropriate banking institution for remittance to LAC+USC; and 6) 24 hour on-call answering service for nursing students. There are currently 432 outstanding loans being managed by ACS. Approximately one-third of the graduating nursing students accept employment with DHS.

Attachment A provides additional information.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

In 1991, LAC+USC obtained the services of ACS, a firm familiar with the Perkins regulatory requirements which could take over the County's student nursing tuition loan accounting. ACS has provided expert, efficient and reliable loan accounting services to the School of Nursing for the past 15 years, demonstrating expertise with loan programs and a high degree of reliability in their services.

The monthly cost for transactions is low, approximately \$1,000, and soliciting this service would not be cost effective due to the learning curve required of a new vendor. ACS is familiar with the processes of the LAC+USC School of Nursing student loan programs, including the Perkins regulatory requirements. ACS' services will ensure continued uninterrupted on-line access to the nursing student loan servicing system and recovery of loan proceeds from the nursing students at the School of Nursing.

It is recommended that the Department continue to use ACS on a sole source basis to ensure that School of Nursing student loan activities remain reliably supported.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of an Agreement with ACS for loan accounting services will permit uninterrupted and reliable student loan accounting services for the School of Nursing.

Honorable Board of Supervisors
November 6, 2007
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CONCLUSION

Upon approval of the recommendation, please forward an adopted, stamped copy of the Board letter to DHS.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DRJ:AT:bjs

Attachments (2)

c: County Counsel
Auditor-Controller
Director and Chief Medical Officer, Department of Health Services

110607_DHS_Nursing

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Nursing student loan management and accounting services for the LAC+USC Medical Center School of Nursing.

2. NAME AND ADDRESS OF CONTACT PERSON:

ACS, Inc.
Charlene Drummond
157 Cedar Mill Drive
Dallas, GA 30132
Telephone: (877) 800-8560 or (770) 529-9397
Fax No.: (770) 529-9599
Email: charlene.drummond@acs-inc.com

3. TERM OF AGREEMENT:

The term of the Agreement is effective upon date of Board approval through June 30, 2008 with provisions for four one-year automatic renewals from July 1, 2008 through June 30, 2012.

4. FINANCIAL AGREEMENT:

The agreement is in the amount of \$10,500, effective date of Board approval through June 30, 2008. The annual cost of the four one-year automatic renewals are estimated at \$14,000 for the period of July 1, 2008 through June 30, 2012.

Funding is available in the Department of Health Services' Fiscal Year 2007-08 Adopted Budget and will be requested in future fiscal years.

5. DESIGNATED ACCOUNTABLE FOR MONITORING:

Pete Delgado, Chief Executive Officer, LAC+USC Medical Center

6. APPROVALS:

LAC+USC Medical Center: Pete Delgado, Chief Executive Officer

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Richard Mason, Assistant County Counsel

MANAGEMENT ACCOUNTING AND BILLING SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____ day
of _____ 2007,

by and between

COUNTY OF LOS ANGELES (hereafter
"County")

and

AFFILIATED COMPUTER SERVICES, (ACS)
INC.
(hereafter "Contractor").

WHEREAS, pursuant to the provisions of Section 1441 and 1445 of the California Health and Safety Code, County has established and operates through its Department of Health Services (hereafter "DHS" or "Department") various County hospitals and other health facilities (all hereafter referred to as "facilities"); and

WHEREAS, County employees and other staff are assigned to work and provide services at such facilities in order to keep such facilities and/or the programs located there operational; and

WHEREAS, Contractor possesses the competence, expertise, facilities and personnel to provide the accounting and billing management services described hereunder; and

WHEREAS, DHS does not have the personnel with the requisite technical knowledge and experience to directly perform the loan accounting and billing management services needed as described; and

WHEREAS, Contractor has the necessary experience and staffing to provide County with accounting and billing management services for nursing student loans, and is further willing to provide no less than the same such services to County under this Agreement; and

WHEREAS, County is authorized by Government Code Section 31000 to contract for these services.

NOW, THEREFORE, the parties hereto agree as follows:

1. TERM:

A. The term of this Agreement shall commence upon approval by County's Board of Supervisors ("Board") and shall continue in full force and effect to and including June 30, 2008. It shall thereafter be automatically renewed for four (4) additional years without further action by the parties hereto through midnight, June 30, 2012. In any event, this Agreement may be terminated with or without cause at any time by either party upon the giving of at least thirty (30) calendar days' prior written notice to the other party.

B. Notwithstanding any other provision of this Paragraph, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

2. DESCRIPTION OF SERVICES:

A. Contractor shall provide services in the form as described in the body of this Agreement and Exhibit A - Scope of Work, attached hereto and incorporated herein by reference.

B. Contractor acknowledges that the quality of service(s) provided under this Agreement shall be at least equivalent to that which Contractor provides to all other clients it serves.

3. NON-EXCLUSIVITY: Contractor acknowledges that it is not necessarily the exclusive provider to County of billing and accounting management services for nursing student loans, and that County has, or may enter into, agreements with other providers of billing and accounting management services, or may perform all or part of such services, when possible, using County employees.

4. BILLING AND PAYMENT:

A. County shall compensate Contractor on a monthly basis in accordance with the payment structure set forth in Exhibit B, Fee Schedule, attached hereto and incorporated herein by reference.

B. Contractor shall submit invoices to DHS' LAC+USC Medical Center, Expenditure Management Division, 2600 Marengo Street, Los Angeles, California, 90033, hereunder according to the terms set forth in the payment requirements paragraph of said Exhibit.

C. Payment by County hereunder shall be made within thirty (30) days after receipt of a billing statement which is deemed to be complete and correct by

DHS' LAC+USC Medical Center's Financial Manager, or his/her duly authorized representative, and in accordance with Exhibit B, hereinbelow.

D. ACS may change its fee hereunder only upon thirty (30) days written notice and only following a regulatory change or the U.S. Postal Service imposes a general rate increase. County may terminate Agreement as of the effective date of such increase without payment of any termination charge.

5. COMPENSATION: County agrees to compensate Contractor for services performed as described in this Agreement at the rate set forth in Exhibit B, Fee Schedule. During the term of this Agreement, the maximum obligation of County for services provided hereunder shall not exceed Sixty-Eight Thousand Dollars (\$68,000) for the contract period from the date of Board approval through June 30, 2012.

6. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS: Notwithstanding any other provision of this Agreement, County shall not be obligated for loan accounting and billing management services for the nursing student loan programs performed hereunder, or by any provision of this Agreement, during any of County's future July 1 - June 30 fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall be deemed to have terminated on June 30 of the last County fiscal year for which funds were appropriated. Director shall notify Contractor in writing of such non-appropriation of funds at the earliest possible date.

7. COUNTY AUDIT SETTLEMENTS: If, at any time during the term of this Agreement or at any time after the expiration or termination of this Agreement, authorized representatives of County conduct an audit of Contractor regarding the services provided to County hereunder and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference shall be either: (1) repaid forthwith by Contractor to County by cash payment, or (2) at Director's option credited against any future payments hereunder to Contractor. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's Maximum Obligation for this Agreement, as set forth in Paragraph 5 above, be exceeded.

8. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by Contractor after the expiration or (other) termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's

right to recover such payment from Contractor. This provision shall survive the expiration or (other) termination of this Agreement.

9. INDEMNIFICATION: Contractor shall indemnify, defend, and hold harmless County and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

10. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its Subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County. Such coverage shall be provided and maintained at Contractor's own expense.

A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to Director at DHS Contracts and Grants Division; 313 North Figueroa Street, 6th Floor-East; Los Angeles, California 90012-2659, and to DHS Human Resources; 5555 Ferguson Drive, Suite 120-18; Commerce, California 90022, prior to commencing services under this Agreement. Such certificates or other evidence shall:

(1) Specifically identify this Agreement.

(2) Clearly evidence all coverages required in this Agreement.

(3) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(4) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insured for all activities arising from this Agreement.

(5) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

B. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

C. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to

County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

D. Notification of Incidents, Claims, or Suits: Contractor shall report to County:

(1) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(2) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(3) Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(4) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

E. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this

Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

F. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all Subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(1) Contractor providing evidence of insurance covering the activities of Subcontractors, or

(2) Contractor providing evidence submitted by Subcontractors evidencing that Subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of Subcontractor insurance coverage at any time.

11. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office ["ISO"] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Automobile Liability Insurance (written on ISO policy form "CA 00 01" or its equivalent) with a limit of liability of not less than \$1 Million for each

accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

12. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without prior written consent of County. Any assignment or delegation which does not have such prior County consent shall be null and void. For purposes of this Paragraph, such County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any billings to County by any delegatee or assignee on any claim under this Agreement, absent such County consent, shall not be paid by County. Any payments by County to any delegatee or assignee on any claim under this Agreement, in consequence of such County consent, shall reduce dollar for dollar any claims which Contractor may have against County and

shall be subject to set-off, recoupment, or other reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

B. Shareholders or partners, or both, of Contractor may sell, exchange, assign, divest, or otherwise transfer any interest they may have therein.

However, in the event any such sale, exchange, assignment, divestment, or other transfer is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, then prior written consent thereof by County's Board of Supervisors shall be required. Any payments by County to Contractor on any claim under this Agreement shall not waive or constitute such County consent. Consent to any such sale, exchange, assignment, divestment, or other transfer shall be refused only if County, in its sole judgment, determines that the transferee(s) is (are) lacking in experience, capability, or financial ability to perform all Agreement services and other work. This in no way limits any County right found elsewhere in this Agreement, including, but not limited to, any right to terminate this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the

termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

13. SUBCONTRACTING:

A. For purposes of this Agreement, all subcontracts must first be approved in writing by Director. Contractor's written request to Director for approval to enter into a subcontract shall be made at least thirty (30) calendar days prior to the subcontractor's proposed effective date, and shall include:

(1) Identification of the proposed subcontractor, (who shall be licensed as appropriate for provision of subcontract services), and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.

(2) A detailed description of the services to be provided by the subcontract.

(3) The proposed subcontract amount and manner of compensation, if any, together with Contractor's cost or price analysis thereof.

(4) A copy of the proposed subcontract. (Any later modification of such subcontract shall take the form of a formally written subcontract amendment which also must be approved in writing by Director in the same manner as described above, before such amendment is effective.)

(5) Any other information and/or certification(s) requested by
Director.

B. Director shall review Contractor's request to subcontract and shall determine, in his/her sole discretion, whether or not to consent to such a request on a case-by-case basis.

C. Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under this Agreement, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Further, Director's approval of any subcontract shall also not be construed to limit in any way, any of County's rights or remedies contained in this Agreement.

D. In the event that Director consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments or other compensation to all subcontractors, and their officers, employees, and agents.

E. In the event that Director consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, or any subcontractor, or to any officers, employees, or agents, of Contractor, or any subcontractor, for any liability,

damages, costs, or expenses, arising from or related to County's exercising of such a right.

F. Subcontracts shall contain the following provision: "This contract is a subcontract under the terms of a prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract." Further, Contractor shall also reflect as subcontractor requirements in the subcontract form all of the requirements of Paragraphs 7, 8, 9, 12, 15, and 16, of the body of this Agreement, as well as, all of the provisions of the Additional Provisions attachment.

Contractor shall deliver to Director a fully executed copy of each subcontract entered into by Contractor, as it pertains to the provision of services under this Agreement, on or immediately after the effective date of the subcontract, but in no event, later than the date any services are to be performed under the subcontract.

G. Director is hereby authorized to act for and on the behalf of County pursuant to this Paragraph, including but not limited to, consenting to any subcontracting.

14. COMPLIANCE WITH APPLICABLE LAW:

A. Contractor shall comply with the requirements of all federal, State, and local laws, ordinances, regulations, rules, guidelines, and directives, applicable to its performance hereunder. To the extent there is any conflict between federal and State or local laws, the former shall prevail.

Any reference to a specific statute, regulation, or any other document not prepared by County is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Agreement shall be interpreted and the parties' duties and obligations under this Agreement shall be consistent with any amendment to any applicable statute, regulation or other document not prepared by County which occurs after the effective date of the Agreement.

B. Contractor shall indemnify and hold harmless County from and against any and all loss, damage, liability, or expense resulting from any violation on the part of Contractor, its officers, employees, or agents, of such federal, State, or local laws, regulations, guidelines, or directives.

15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its employees to any patient medical records. Accordingly, Contractor shall instruct its employees that they are not to pursue or gain access to patient medical records for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that, in the course of the provision of services hereunder, Contractor or its employees may have inadvertent access to patient medical records. Contractor understands and agrees that neither it nor its employees are to take advantage of such access for any purpose whatsoever. Additionally, in the event of such inadvertent access,

Contractor and its employees shall maintain the confidentiality of any information obtained and shall notify hospital supervisory personnel that such access has been gained immediately or upon the first reasonable opportunity to do so.

In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees) arising from or connected with Contractor's or its employee's access to patient medical records. Contractor agrees to provide appropriate training to its employees regarding their obligation in this regard.

16. ADDITIONAL PROVISIONS: Attached hereto and incorporated herein by reference, is a document labeled Additional Provisions, of which the terms and conditions therein contained are part of this Agreement.

17. CONSTRUCTION: To the extent there are any rights, duties, obligations, or responsibilities enumerated in the recitals or otherwise in this Agreement, they shall be deemed a part of the operative provisions of this Agreement and are fully binding upon the parties.

18. CONFLICT OF TERMS: To the extent that there exists any conflict or inconsistency between the language of this Agreement (including its Additional Provisions), and that of any Exhibit(s), Attachment(s), and any other documents incorporated herein by reference, the language found within this Agreement shall govern and prevail.

19. ALTERATION OF TERMS: The body of this Agreement (including its Additional Provisions) and any Exhibit(s), and/or Attachment(s) attached hereto, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Agreement. No addition to, or alteration of, the terms of this Agreement, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

20. CONTRACTOR'S OFFICE: Contractor's primary business office is located at 157 Cedar Mill Drive, Dallas, Georgia 30132. Contractor's primary business telephone number is (877) 800-8560, facsimile/FAX number is (770) 529-9599, and electronic mail ("e-mail") address is charlene.drummond@acs-inc.com. Contractor shall notify County, in writing, of any changes made to Contractor's primary business address, business telephone number, facsimile/FAX number, and/or e-mail address, as listed herein, or any other business address, business telephone number, facsimile/FAX number, and/or e-mail address used in the provision of services herein, at least ten (10) calendar days prior to the effective date(s) thereof.

21. NOTICES: Notices hereunder shall be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Director is authorized to execute all notices or demands which are required or permitted by County

under this Agreement. Addresses and parties to be notified may be changed by providing at least ten (10) working days prior written notice to the other party.

A. Notices to County shall be addressed as follows:

- (1) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, Sixth Floor-East
Los Angeles, California 90012-2659
Attention: Division Chief
- (2) Department of Health Services
LAC+USC Medical Center
1200 North State Street
Los Angeles, California 90033
Attention: Chief Executive Officer
- (3) Department of Health Services
LAC+USC Medical Center, College of Nursing
and Allied Health, School of Nursing Division.
1237 North Mission Road
Los Angeles, California 90033
Attention: Doris DeHart, R.N.
Assistant Nursing Director-Education

B. Notices to Contractor shall be addressed as follows:

Affiliated Computer Services (ACS), Inc.
157 Cedar Mill Drive
Dallas, Georgia 30132
Attention: Charlene Drummond, Client Relations Manager

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly and authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

AFFILIATED COMPUTER SERVICES, (ACS)
INC. _____
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief,
Contracts and Grants Division
gh:0727/07 AGREE_ACS

SCOPE OF WORK

LOAN ACCOUNTING AND BILLING MANAGEMENT SERVICES CONTRACTOR: AFFILIATED COMPUTER SERVICES (ACS, INC.)

(Effective Date of Board Approval Through June 30, 2012)

ACS shall perform a computerized billing and accounting service (the "Service") in connection with the Perkins (formerly National Defense/National Direct Student Loan) Programs, the Health Profession and Nursing Loan Programs, and certain privately sponsored student loan programs (such loan programs herein collectively called the "Program").

The following is a description of the duties of Contractor:

1. Accept from County of Los Angeles-LAC+USC Medical Center ("County") all of County's loan accounts as mutually agreed upon (the "Accounts") for the service.
2. At the time of the Account conversion (defined as transferring of the Account information to ACS on ACS standard forms or in machine readable form in accordance with ACS requirements and entry into the ACS computer system by ACS), send each borrower in repayment status a statement of his/her account and notice of the Service.
3. Generate and mail to each borrower in repayment status a notice of grace period expiration, in accordance with current due diligence requirement for such Accounts.

4. Prepare and mail payment notices to each borrower at monthly, bi-monthly, quarterly, semi-annual or annual intervals as instructed by County.
5. Prepare and mail delinquency notices in compliance with the due diligence requirements of the U.S. Department of Education and the Department of Health and Human Services.
6. Post and report to County all payments from borrowers. All borrower remittances shall be deposited to a deposit account in the First Bank Milwaukee, N.A. or another bank ("Bank") selected by ACS in the name of, or as designated by, County. The Bank shall provide County with a regular monthly bank statement and ACS shall provide reconciliation of same. ACS may "charge back" against the foregoing deposit account any NSF checks or rejected borrower Automated Clearing House debits and adjust incorrect transactions.
7. Verify, compute, record and report to County all deferments, postponements, and cancellations received from borrowers in a manner consistent with the Program.
8. Respond to all borrower inquiries in a manner consistent with the Program or as instructed by County.
9. Process borrower change of address notices as received.

10. ACS will provide the following reports to County:
 - Monthly, semi-annual and annual reports for County consistent with the Program.
 - A fiscal year report based on data generated by Service to assist County in preparing information required by the Federal Government concerning the Program.
 - A current listing of ACS' Reports is set forth in Exhibit B , and such reports may be changed from time to time.
11. ACS will comply with all statutory provisions of or applicable to Title IV of the Higher Education Act ("HEA"), all regulatory provisions prescribed thereunder, and all special arrangements, agreements, limitations, suspensions, and terminations entered into under such authority, including any requirement that ACS use any funds that ACS administers for County under any Title IV, HEA Program and any interest or other earnings thereon solely for the purposes specified in and in accordance with that Program, to the extent that any of the foregoing are applicable to the Service and required by applicable law or regulation.
12. To the extent required or permitted by applicable law or regulation, refer to the Office of Inspector General of the Department of Education for investigation of information indicating there is reasonable cause to believe that an applicant for Title IV, HEA

Program assistance might have engaged in fraud or other criminal misconduct in connection with his or her application.

County acknowledges and agrees that ACS shall be entitled to make referrals of information, and to otherwise communicate and cooperate with the Office of Inspector General with respect thereto, whenever ACS believes in its own subjective good faith judgment that such information is or may be required to be referred under applicable laws and regulations, without any obligation or duty upon ACS to evaluate or determine whether such information in fact indicates that there is reasonable cause to believe that any applicant for Title IV, HEA Program assistance engaged in fraud or other criminal misconduct. In no event shall ACS be liable to County or any of its employees or agents, or any applicant, or any third party, as a result of or in connection with any such referral, whether or not it is ultimately determined that any fraud or criminal misconduct in fact occurred, or that ACS had reasonable cause to believe that any fraud or criminal misconduct might have occurred.

13. Cooperate fully with independent auditors, the Secretary of Education, the Department of Education's Inspector General and the Comptroller General of the United States, or their authorized representatives, any applicable State postsecondary review entity, in the conduct of audits, investigations, and program reviews with respect to County or the Title IV, HEA programs administered by

ACS for County, as authorized by law. In no event shall ACS be liable to County as a result of or in connection with any such cooperation.

14. If Agreement is terminated for any reason, ACS agrees to return to County all 1) records in ACS' possession pertaining to County's participation in the program(s) for which services will no longer be provided; and 2) funds, including Title IV, HEA Program funds, received from or on behalf of County or its students for which services will no longer be provided.

The following is a description of the duties of County:

1. Transfer each Account to ACS as provided herein and be responsible for the accuracy and legibility of the information submitted to ACS.
2. Use forms and/or on-line system provided by ACS to advise ACS of each loan awarded and borrower enrolled under the Program at the time of such award, and keep ACS advised on a timely basis of all changes concerning a borrower date of separation from the lending institution.
3. Take all actions required by government regulation to insure that each student, upon ceasing to be at least a half-time student, is informed as to the amount of his/her loan and the repayment agreement.

4. Inform each borrower of the Services when conducting the exit interview.
5. Advise ACS within 10 days of each borrower change of name and/or address.
6. Examine all reports submitted by ACS upon receipt and promptly notify ACS of any errors.

07/27/07

EXHIBIT B

LOAN ACCOUNTING AND BILLING MANAGEMENT SERVICES

CONTRACTOR: ACS, INC.

(Effective Date of Board Approval through June 30, 2012)

FEE SCHEDULE

See attached Fee Schedule.

08/06/07:gh



LOAN SERVICING

FULL SERVICE CONTRACT

EXHIBIT B

CONVERSION	FEE
TRANSFER AND RECONCILIATION OF DATA TO eCOMMAND	N/A
ACCOUNT BILLING FREQUENCY* (Full Service)	PER LOAN FEE
IN SCHOOL	0.10
IN GRACE	0.75
REPAYMENT MONTHLY	1.25
REPAYMENT QUARTERLY	0.98
REPAYMENT SEMI-ANNUAL	0.82
REPAYMENT ANNUAL	0.79
ASSIGNED/ACCEPTED/PIF	0.00
ON-LINE TECHNOLOGY/FILE TRANSFERS	FEE
e-SIGN – <i>electronic promissory note – per loaded note fee</i>	3.50
ON-LINE VIA INTERNET	150.00
MASTERFILE – <i>monthly</i>	100.00
<i>Financial Counselor, on-line entrance & exits – monthly fee</i>	100.00
FILE IMAGING OF FORMS AND BORROWER FILES – <i>flat monthly fee (go forward process)</i>	TBD
INTERNAL COLLECTION TECHNOLOGY	FEE
COLLECTION MANAGER – <i>per account</i>	0.40
Full Service Plus -/DART – DEFAULT AVERSION RECOVERY TEAM – <i>one-time setup</i>	250.00
<i>-monthly maintenance/per letter fee/per call fee (chargeable to borrower)</i>	TBD/\$6.00/\$3.00
OTHER SERVICES PROVIDED	FEE
CREDIT BUREAU REPORTING – <i>per account</i>	0.03
NSLDS UPDATE – <i>per account</i>	0.05
FORM 1098 IRS REPORTING - <i>per loan/annually</i>	0.05
FORM 1098e - <i>per loan/annually</i>	1.00
REPAYMENT SCHEDULES & DISCLOSURES	0.50
AUDIT CONFIRMATION STATEMENTS	0.10
MAILING LABELS	0.10
ASSIGNMENT FORMS	5.00
90 DAY DUE DILIGENCE CALL <i>per phone sheet generated</i>	6.00
INFORMATION CALL CHARGE	0.60
LVC PROCESSING/ MORTGAGE LOAN VERIFICATIONS <i>per form</i>	1.00
SKIPTRACING <i>per new address located</i>	5.00
CREDIT VERIFICATIONS via EOSCAR <i>per dispute</i>	2.00
URGENT MAILER NOTIFICATIONS <i>per notice</i>	1.79



EXHIBIT B

ACS REPORTS

IN SCHOOL SERVICING

- In School Journal
- Loans Transferred Journal

Additional Reports

- Receipt for Loans Transferred
- Expected Separation Date Report
- Inactivity Report (No Advances this Fiscal Year)
- In School to Grace Verification and
- Disclosure Summary

OUT OF SCHOOL SERVICING

- Out of School Journal
- Summary Totals
- Transactions Journals
- Accounting Entries
- Monthly Analysis
- Small Balance Write Off Report

Delinquent Reports

- Recommended Action Reports
- Reports of Accounts Referred, Assigned & Assigned/Accepted
- Report of Accounts in Special Handling & Temporary Billing
- Collection Agency Reports
- Report of Accounts No Longer Delinquent
- Delinquent Analysis Report
- Collection Cost Breakdown Report

Name and Address Maintenance

- Name and Address Listing
- Returned Mail Report
- Report of Lost Borrowers
- Name Change Labels

Banking Reports

- Remittance Banking Reconciliation
- Reconciliation Report
- Report of Direct Payments

Paid Accounts

- Paid in Full Journal
- Paid in Full Labels
- Overpaid Accounts Report
- Out of Balance Accounts Report

GOVERNMENT REPORTING

- Fiscal Operations Report
- Annual Operating Report
- Report of Defaulted Loans Eligible for Assignment

Additional Reports

- Annual Interest Paid Calendar Year
- Semi-Annual Report of Transactions
- Numeric Cross Reference Report
- Weekly Account Status Report